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C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 016165

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TAGS: [PREL](#) [PGOV](#) [CH](#) [XD](#)
SUBJECT: WU DAWEI AND BOUCHER TALK NEPAL AND (NO)
CIVIL-NUCLEAR COOPERATION WITH PAKISTAN

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Classified By: Classified by Political Minister Counselor Daniel
Shields. Reasons 1.4 (b/d)

Summary

11. (C) Vice Foreign Minister Wu Dawei told Assistant
Secretary Richard Boucher the purpose of Wu's visit to

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Nepal was to show China's support for Nepal's new government. China believes the United Nations can play a positive role in the process of stabilizing Nepal's political situation. Wu asked why the United States has taken different positions on civil nuclear assistance to India and Pakistan. Boucher responded by highlighting the very different track records of the two countries on proliferation. Pakistan must significantly improve its record on nonproliferation before any civil nuclear assistance could be considered. Wu said that following the U.S. agreement with India, Pakistan approached China requesting the same kind of package. Wu suggested that the United States seriously consider cooperating with Pakistan on civil nuclear issues in order to help Islamabad feel more secure. End Summary.

Wu Discusses Trip to Nepal

12. (C) Visiting Assistant Secretary for South and Central Asian Affairs Richard Boucher met with Vice Foreign Minister Wu Dawei on August 1 to discuss South Asian issues. Wu said the purpose of his recent trip to Nepal was to show China's support for the new government. The seven political parties have not been able to successfully rule the country so far, said Wu, noting that this may be due to Nepalese tradition and culture. Boucher asked whether the political parties would be able to remain united and choose a new Prime Minister if the Prime Minister were incapacitated. Wu responded that the political situation is more likely to stabilize if the seven parties stay united, adding that the United States and China should work together

to support the parties.

13. (C) Wu observed that there are now three political forces operating in Nepal. The first is the King and pro-monarchy forces that use their traditional power to influence the political situation. The seven political parties that emerged from the democratic movement but appear to be returning to their previous positions constitute the second major force. Wu commented that the military has now declared its loyalty to the democratic movement, though it was once the King's main support. "Anti-government forces" that embarked on a path of armed struggle against the government after failing to merge with the political parties comprise the final major force, according to Wu. They are now trying to reintegrate themselves into the political process, Wu stated, though it is unclear whether the "anti-government forces" will be able to secure their position. The seven parties are confident that the "anti-government forces" can be reintegrated into the political process, but there are many unknowns about the political future of Nepal, Wu said, stressing that no one can predict the result of the struggle between the three forces.

Disarming the Maoists

14. (C) Wu said that during his visit he had met with the United Nations Special Representative in Nepal. China believes the United Nations can play a positive role in the process of stabilizing Nepal's political situation. Boucher stated that the United States has not supported the United Nations' taking on a mediating role in Nepal but thinks it could be effective in assisting with disarming and demobilizing the Maoists. The Maoists must give up guns and violence if they are to enter the political process,

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Boucher said, stressing that Nepal's political parties and outside countries should be firm with the Maoists on this point. Wu assessed that the Maoists are not opposed to giving up their arms, but the group likely believes keeping weapons increases the likelihood of taking power. It is important for the political parties to have more contact with the Maoists and convey the message that giving up their arms is part of the political process, Wu said.

China Sees India as More Influential in Nepal

15. (C) Boucher asked if Wu had coordinated with India on his trip to Nepal. Wu said that he had not, though China is in close communication with India in general on the topic of Nepal's political situation. India has much greater influence with Nepal than China, Wu said. Both countries agree on the importance of having stability in Nepal, he stressed.

Pakistan Seeks Civil Nuclear Assistance

16. (C) Wu asked why the United States has taken different positions with India and Pakistan regarding civil nuclear assistance. Boucher responded that India and Pakistan have different situations, different histories and different nonproliferation records. India has a strong nonproliferation record and has made efforts to further improve its controls. Pakistan does not have the same record, Boucher stated. Wu responded that after the United States signed the civil nuclear agreement with India, Pakistan approached China asking for such assistance. A troublesome pattern has emerged in which the United

States is assisting India and China is assisting Pakistan, Wu said. He added that "if we continue in this direction there will be stability problems."

17. (C) Asked to clarify the nature of China's assistance to Pakistan, Wu stated that he was referring to past energy agreements with Pakistan that have not yet been completed and would not require Nuclear Suppliers Group consensus. The United States recognizes that Pakistan has an energy problem, Boucher stated. The United States is providing non-nuclear energy assistance and hopes that China and other countries will help in similar ways with Pakistan's energy problem. A civil-nuclear agreement with Pakistan, by China or others, would find no support in the U.S. Congress or in the international community, Boucher noted. We are already having difficulty getting many European donors to give to Pakistan now, as a military-led state. A nuclear deal would make this even more difficult. He pointed out that the Pakistani people will be happy to have electricity, regardless whether it came from a hydropower plant or a nuclear power plant. Wu countered by asking how the United States can ask Pakistan to be satisfied with a hydropower plant from China after India signed a civil nuclear agreement with the United States. Boucher responded that Pakistan receives eight or nine times more U.S. assistance than India and special initiatives in the areas of education, energy and trade, even though the Pakistani population is only one fifth of India's. The United States can develop an appropriate relationship with both countries, Boucher stated. Wu asked whether U.S. nuclear assistance to India includes India's military programs. Boucher responded that the agreement only applies to India's civil nuclear program.

China Suggests U.S. Civil Nuclear Assistance to Pakistan

18. (C) Wu requested that the U.S. consider certain circumstances under which it might cooperate with

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Pakistan on the nuclear side. The U.S. needs to do this, Wu said, to make Islamabad feel more safe and equal. Boucher reiterated that Pakistan's nonproliferation record is not of the same caliber as India's. The United States has made clear to Pakistan that we could only consider providing assistance if Pakistan improves its track record on nonproliferation.

19. (U) Assistant Secretary Boucher cleared this cable.
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